

ARLEN SPECTER SPEAKS

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STATE OF THE UNION

I was pleased to hear the President pledge \$400 billion more for Medicare and prescription drugs. His ideas on hydrogen powered cars could help protect the environment and free us from dependence on OPEC oil. The President's request for \$15 billion to fight worldwide AIDS is a commitment to compassion. The President's specification of Saddam's weapons of mass destruction demonstrates a threat the UN must control or the US must control. Hopefully the UN will respond to the new evidence Secretary Powell will present.

THE ESCALATING SITUATION IN IRAQ

The president was right on target with his State of the Union speech. He said that he was going to send Secretary of State Colin Powell back to the United Nations with additional evidence, perhaps evidence linking al Qaeda to Iraq and Saddam Hussein. It would certainly strengthen the hand of the United States if there was a follow up resolution by the United Nations authorizing the use of force. When there is all of this talk of a smoking gun - you don't need a smoking gun, in fact you don't even need a gun for a conviction. They have evi-

dence that Saddam has not accounted for weapons of mass destruction which he had in 1998, when he kicked out the UN inspectors. If that



Times Photo by Pete Sabella

can be supplemented by the Secretary of State, that could provide the foundation for

another resolution by the UN and I think if Saddam confronts a united United Nations, there is a chance he might back off if he is not suicidal, or people in Iraq could oust him to prevent a war.

I do not think there is any date for a war against Iraq. The president has been emphatic that he does not have any timetable. There has also been speculation that it would be mid-February to late February. Some of the speculation has arisen because of the weather conditions, that our troops

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European & Arab Opposition to War Against Iraq

My ten-day fact finding visit to Europe and the Mid-East in late December and early January found little support for a U.S. war against Iraq. The Germans were outspoken in opposition. British Prime Minister Tony Blair, personally a strong supporter of President Bush, appeared to be a leader without many followers on

The strongest opposition and most dire warnings came from nations in the Mid-East with the exception of Israel. Egypt's President Mubarak, a solid U.S. ally for more than two decades, predicted violence against U.S. interests in the region if Iraq is attacked. U.S. Embassy personnel in Syria are on alert to evacuate in advance of any war.

Recollections are still fresh on the Syrian mob which ransacked our Ambassador's residence in Damascus in December 1998 following a U.S. missile attack on Bag-

dad. Ambassador Ryan Crocker's wife was rescued just before the mob threatened to break through the steel door in the so-called "safe haven". The bricks and mortar of the residence have been repaired, but the psychological damage lingers on.

I was in Damascus on that night in December 1998 when that attack occurred and was awakened at 2:00 A.M. to watch CNN's coverage of the missiles striking Baghdad. Leaving Syria on sched-

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Photo by the Scranton Times

this issue.

HELPING US AIRWAYS ATTAIN FINANCIAL STABILITY

US Airways, the Nation's sixth-largest air carrier, has been particularly hard hit, filing for chapter 11 bankruptcy protection on August 11, 2002, and laying off over 13,000 employees since. One unique challenge faced by this airline is the fact that it has historically had a large and lucrative operation at Washington's Ronald Reagan National Airport, and so long as operations from this airport were constrained due to post-September 11 security considerations, US Airways was losing a significant portion of its revenues.

US Airways is now in the final stage of obtaining approval for a \$1 billion loan guarantee from the Air Transportation Stabilization Board, ATSB. I have been assured that this loan guarantee will enable US Airways to emerge successfully from chapter 11 bankruptcy proceedings and again vie successfully for passengers in the international market.

But before this can happen, US Airways needs to restructure its pension obligations, which are backed by the Federal Pension Benefit Guaranty Corporation, PBGC, and, ultimately, the American taxpayer. US Airways's pension liabilities increased significantly in recent months due to poor market performance and a 41-year low in interest rates. Funding obligations for the pilots' pension plan is estimated to be \$575 million for 2004 and \$333 million for 2005. Given its current cash position, US Airways cannot make these payments, and, additionally, the airline has indications from the ATSB that the ATSB will not approve its loan considering these large obligations.

But US Airways is proposing a simple and cost-saving solution that would essentially terminate and then restore its pilots' pension plan, a change that would allow the airline to amortize the plan's unfunded accrued liability and unfunded current liability in level payments over a 30-year period.

Simply put, payments that would have been made over a 5-year period would be spread out over 30 years, a schedule that would

allow US Airways to fully meet its pension obligations. This means that the PBGC would not have to step in to cover liabilities US Airways would not otherwise be able to meet, and the pilots are agreeable to this

proposal. This also means that US Airways would then likely have its loan guarantee approved and thus be able to emerge from bankruptcy protection.

The only problem is that the PBGC has determined that it does not have the legal authority to approve such a plan. Inaction would leave US Airways with no option but to terminate its pilots' pension plan and regrettably transfer liability to the PBGC.

To avoid this unnecessary situation, we are proposing a legislative clarification that would specify that the PBGC has the legal authority to terminate and then restore US Airways's pilots' pension plan, thereby protecting the pilots' pensions while potentially saving the American taxpayer



Photo by Keith Srakocic, Associated Press

hundreds of millions of dollars annually. I want to emphasize that this is a simple statutory clarification, a clean bill that provides no additional benefits to US Airways and is of no cost to the Federal Government. In fact, successful and timely passage of this bill may very well save the U.S. Treasury billions of dollars over a period of many years.

Senator Santorum and I

proposed an amendment to the Omnibus Appropriations bill to try to improve the situation with the pensions for the US Air-

ways pilots. The Pension Benefit Guaranty Corporation had refused to accept the plan which would permit a termination of the pension plan and then a reinstatement with a longer payout period. Our position was that it would help out the government because the Pension

Benefit Guarantee Corporation would not have to pay the pensions, but it would be handled privately. The pilots would not lose about 3/4 of their pension benefits so it would solidify US Airways position to work through the reorganization and bankruptcy to continue to function. Unfortunately, we didn't get quite enough votes but in bringing the matter to a head I think we may yet be on the way to a resolution. Senator Baucus, who is the Ranking Member of the Finance Committee, said to me that he thought that there was merit in our position, and was going to call in all of the airlines. I talked to Senator Lott, who is the Chairman of the Subcommittee on Commerce. We are going to be sitting down with all of the airlines with the view to try to work this out. I believe that it is a matter of bureaucratic intransigence by the Pension Benefit Guaranty Corporation, and we are yet going to try to save the pensions for the pilots who have already made so many concessions to keep US Airways going.

There is a lot riding on this. You have people who have worked up to thirty years who have made enormous concessions with other US Airways employees to keep the airline functioning and now their futures are in jeopardy in a situation which is highly technical and just doesn't make any sense and is not in accordance with Congressional Intent or Congressional public policy.

I think we have a strong case, I think we should win, but this is a lot like Pittsburgh vs. Tennessee. You got to carry it down to the wire, this may go into overtime.

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European & Arab Opposition to War Against Iraq (continued from page 1)

ule at 6:30 that morning, I then traveled to Egypt and Jordan and heard strong Arab protests on the U.S. military action which was minuscule compared to what is now planned.

On January 6th in Damascus, the "US/Syrian Dialogue", a forum initiated by the Baker Public Policy Institute in Houston last May, focused on Iraq as well as the Israeli/Palestinian issues. The Syrian interlocutors were adamant in opposition to war against Iraq although they condemned Saddam Hussein's conduct. The Syrians welcomed my opinion, even though I emphasized it was President Bush's ultimate decision, that the U.S. should return to the UN for another resolution supporting the use of force before acting.

In a separate meeting, President Bashar al Assad and Foreign Minister Shara complained to me about the UN's refusal to give all members of the Security Council the full 12,000 pages turned over by Iraq after Syria and all the other 14 nations had voted unanimously for Iraq to comply with its obligation to disarm. I agreed that all member nations, which are asked to vote for sanctions including UN military action, are entitled to all the Iraqi documents and whatever data the U.S. can supply es-

tablishing Iraq's non-compliance.

While the Syrians strongly favored a second UN resolution, they left no doubt they



would not join in any UN military action as they had in 1991. They emphasized their 1991 joinder was based on Iraq's attack of Kuwait, another Arab nation, which was not present now.

German Chancellor Gerhard Schroeder's opposition to war against Iraq was echoed in our January 2nd meeting with Wolfgang Busbach, a member of the Bundestag. He explained that his country's experience in two 21st century wars had

made Germans irreversibly pacifists. Even though he persisted in asserting Germany would not participate in military action even if the UN

tional sentiment against German nationalism.

These meetings confirmed my strong sense that the U.S. position would be greatly strengthened by a second UN resolution. UN Inspector Hans Blix has already noted Iraq is in default in not explaining what happened to the weapons of mass destruction which it had in 1998 before the UN was ousted. Perhaps the U.S. will be able to bolster the case showing Saddam's falsification from testimony from Iraq's scientists or evidence from U.S. Intelligence sources which can be disclosed without compromising sources or methods.

The final determinant on whether there will be war may be the vague and unpredictable state of Saddam's mind. Is he suicidal?

While the evidence is overwhelming on his venality and brutality, my 75 minute meeting with him in January 1990 persuaded me he was not a madman. Saddam has surprised many by submitting to UN inspections, even opening up his palaces, apologizing to Kuwait and making his scientists available for interrogation. Perhaps he has a surprise ending in mind.

voted for it, he hoped the U.S. would seek another resolution before acting.

I was surprised to hear so much sentiment that it was politically incorrect for Germans to express pride in being German. Chancellor Schroeder was criticized for referring to the "German Way" in their recent election and stopped using that phrase. That attitude indicates Germany's reluctance to participate in any military action which might revive interna-

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would not be able to wear heavy gear, but I believe the consequences of war or peace are too great to operate under a time table. There is a great principal in the use of force and that is the best way to avoid war is to be prepared for it.

There have been efforts made by a number of the Arab countries to try to persuade Saddam Hussein to

stand down. I had a chance to meet with him when Sen.

Shelby and I visited Baghdad in January of 1990, and while he is venial and brutal, I do not think he is insane. As the noose is being tightened around his

neck with the deployment of military forces, it really is a mat-

ter that he would have to be suicidal to go ahead. There is a complex question on a perspective plea bargain which might allow him to escape prosecu-

"But if a major war can be avoided that is something worth considering."

tion as a war criminal. I have some reservations about that. I brought the resolution which passed unanimously several years ago, to try him as a war criminal. But if a major war can be avoided that is something worth considering.

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SOME BRIGHT SPOTS IN THE BLEAK MID-EAST PEACE PROCESS

A suicide bombing at a Tel Aviv bus terminal murdering 23 more civilians on January 5th cast a pall over discussions on the Mid-East peace process which I had recently with Prime Minister Sharon in Israel, President Mubarak in Egypt and President Assad in Syria.

In Israel, Prime Minister Sharon insisted that negotiations could not be conducted with Chairman Arafat because of his proved complicity in supporting Palestinian terrorists. When I suggested to Sa'ab-Erekat, Arafat's chief negotiator, that the Chairman step aside to a titular position without power, Erekat responded that Arafat was determined to stay.

So, the stalemate continues with no sign of the tunnel let alone a light at the end of the tunnel. The Arabs, who vociferously argue that Prime Minister Sharon does not want peace, must know that this January suicide bombing strengthens his appeal in elections. Those who oppose peace, while perhaps not more numerous, appear to be more effective.

Our Mid-East visits did produce some bright spots. The new Palestinian Finance Minister offers real hope that transparency may be forthcoming and corruption may be restrained. A University of Texas Ph.D. in economics and a former official at both the IMF and the Federal Revenue, Salam Fayyad, a native Palestinian, returned to his homeland after living in the U.S. from 1987 to 1995. In our meeting at the U.S. consulate in Jerusalem, Minister Fayyad outlined impressive reforms: (1) requiring all revenues to be paid to the Ministry of Finance eliminating the potential for diversion for corruption or terrorism; (2) consolidating

all hiring in his department to eliminate patronage and kick-backs; and (3) activating both internal and external audits.

If corruption and violence could be eliminated, or at least curtailed, the stage could be set for resumption of contributions by the donor nations to rebuild the Palestinian Authority infrastructure and compensate Israel for its losses. In a relaxed setting in the resort town of Sharm el-

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Sheik, President Mubarak reiterated his longstanding efforts to broker a "cease fire".

After Sharon denounced Syria's harboring terrorist organizations in Damascus and supporting Hezbollah in southern Lebanon, I asked him if he would be willing to enter into peace negotiations with Syria as Prime Minister Rabin had in the mid-1990s which were brokered by President Clinton. He said he would providing there were no pre-conditions and asked me to convey that offer to President Assad which I did three days later in Damascus.

Assad said he was willing to open peace talks with Israel. He said he did not think it appropriate to conclude a treaty before Israel and the Palestinian Authority had reached a final settlement, but that Syrian/Israeli talks could proceed on separate tracks. I do not expect Syria and Israel to immediately activate such discussions, but the reactions were more posi-

tive than I heard in many visits to Damascus and Jerusalem a decade earlier.

I then asked President Assad about Hezbollah and terrorist organizations in Damascus both in terms of Prime Minister Sharon's complaints and Syria being on the U.S. terrorist list. He responded that the organizations in Damascus were not involved in terrorism in Israel, but represented thousands of Palestinians who lived in Syria. As to Hezbollah, President Assad insisted that the Lebanese/Israeli border had been quiet, except for one or two skirmishes, since April 1986 when Secretary of State Warren Christopher worked out an agreement between the parties.

At the conclusion of my trip, I attended the opening of the second U.S./Syrian Dialogue on January 6th in Damascus.

Notwithstanding the heated comments and diverse points of view, the exchanges were constructive. The Syrians left with a better understanding of our revulsion to suicide bombings targeting civilians after our own experience of 9/11. Both sides agreed that the killing of Israeli and Palestinian non-combatants had to be stopped. The only real agreement came on the utility of "dialogue" even in the absence of any agreement on any proposed solution.

With the opportunity presented by a new young, British educated President in Damascus, we should accelerate our efforts to improve U.S./Syrian relations, persuade the Syrians on our views on terrorism and strive for an Israeli/Syrian Peace Treaty.